



## CITY OF LODI COUNCIL COMMUNICATION

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**AGENDA TITLE:** Ordinance No. 1786 Entitled, "An Ordinance of the City Council of the City of Lodi Amending Title 13, Chapter 13.20, 'Electrical Service,' by Repealing and Reenacting Section 13.20.225 Schedule NEM – Net Energy Metering Rider; and Adding Section 13.20.227 Schedule CEM – Co-Energy Metering Rider"

**MEETING DATE:** October 4, 2006

**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 1786.

**BACKGROUND INFORMATION:** Ordinance No. 1786 entitled, "An Ordinance of the City Council of the City of Lodi Amending Title 13, Chapter 13.20, 'Electrical Service,' by Repealing and Reenacting Section 13.20.225 Schedule NEM – Net Energy Metering Rider; and Adding Section 13.20.227 Schedule CEM – Co-Energy Metering Rider" was introduced at the regular City Council meeting of September 20, 2006.

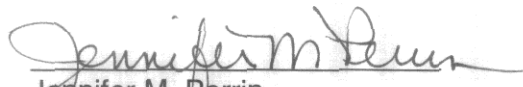
**ADOPTION:** With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required – one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. **Cal. Gov't Code § 36934.**

Ordinances take effect 30 days after their final passage. **Cal. Gov't Code § 36937.**

This ordinance has been approved as to form by the City Attorney.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** None required.

  
Jennifer M. Perrin  
Interim City Clerk

JMP  
Attachment

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**APPROVED:**   
Blair King, City Manager

ORDINANCE NO. 1786

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
LODI AMENDING TITLE 13, CHAPTER 13.20, "ELECTRICAL  
SERVICE," BY REPEALING AND REENACTING SECTION  
13.20.225 SCHEDULE NEM – NET ENERGY METERING  
RIDER; AND ADDING SECTION 13.20.227 SCHEDULE CEM –  
CO-ENERGY METERING RIDER

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BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

**SECTION 1.** Section 13.20.225 Schedule NEM – Net Energy Metering – is hereby repealed and reenacted to read as follows:

**PURPOSE:**

The purpose of this rider is to establish rates, terms, and conditions for providing net metering service to residential and small commercial customers generating electricity using solar and wind facilities of 10 kW or less in size. This rider complies with California State legislation requiring every electric utility in the state, including municipally owned utilities, to develop a standard contract or tariff providing for residential and small commercial net energy metering, as defined below.

**APPLICABILITY:**

This schedule is applicable to service for customers where a part or all of the electrical requirements of the customer can be supplied from a solar or wind power production source owned and operated by the customer (customer-generator). Customer-generators must currently be served under Lodi's residential rate schedules, or small commercial (G1 and G2) rate schedules. Availability of this schedule to eligible customer-generators will be on a first-come, first-serve basis and will be available until such time as the total rated generating capacity used by eligible customer-generators equals two and one-half percent (2.5%) of the City of Lodi aggregate customer annual peak demand.

The solar or wind generation source must: 1) have a capacity of 10kW or less, 2) be located on the customer-generator's premises, 3) be connected for parallel operation with Lodi's distribution facilities, and 4) be intended for the sole purpose of offsetting a part or all of the customer-generator's own electrical requirements. In no case shall the power or energy generated by the customer-owned solar or wind source be available for resale, except as specified under this rider.

Additional terms and conditions for service, including terms of interconnection and parallel operation, are specified in a customer-specific Electrical Interconnection and Net Metering Payment Agreement.

**RATES:**

Charges for electricity supplied by the City will be based on metered usage in accordance with Special Condition (c) and (d) below. Rates charged under this schedule will be in accordance with the eligible customer-generator's otherwise applicable residential or small commercial (G1 and G2) rate schedules. Public Benefit charges and monthly customer charges shall not be by-passable.

## **SPECIAL CONDITIONS:**

- (a) **Other Agreements:** A signed Electrical Interconnection and Net Metering Payment Agreement between the customer-generator and the City is required for service under this schedule.
- (b) **Metering Equipment:** Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. If customer's existing electrical meter is not capable of measuring the flow of electricity in two directions, the customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is capable of measuring electricity in both directions. If an additional meter or meters are desired by the City to monitor the electric generating system performance, the cost to install these meters will be the responsibility of the City.
- (c) **Net Energy Metering and Billing:** Net Energy is defined as measuring the difference between the electricity supplied by the City through the electric grid to the eligible customer-generator and electricity generated by an eligible customer-generator and fed back into the electric grid over a 12-month period.

In the event that the electricity supplied by the City during the 12-month period exceeds the electricity generated by the eligible customer-generator during the same period, the eligible customer is a net electricity consumer and the City shall bill the customer for the net consumption during the 12-month period based on the retail price per kilowatt-hour for eligible customer-generator's rate class over the same period.

The City shall provide the customer-generator with net electricity consumption information on each regular bill. That information shall include the current amount owed to the City for the net electricity consumed. Customer-generator may exercise the option to pay monthly for the net energy consumed, but in any event shall be responsible for any payments due at the end of each 12-month period.

- (d) **Excess Energy:** Net energy metering will be administered on an annualized basis, beginning with the month of interconnection of the customer's generating system with the City's electrical system. Electric generation production may result in a dollar credit carrying forward to the next billing period. If a credit accumulation results in a net customer-owned generation credit at the end of the annualized year, unused dollar credits will be set to zero and not be carried into the new annualized year.
- (e) **Rules and Regulations:** Other conditions as specified in the City of Lodi Electric Utility Department's Rules, Regulations, and Engineering Standards shall apply to this electric rate schedule.

**SECTION 2.** Section 13.20.227 Schedule CEM – Co-Energy Metering Rider – is hereby added to read as follows:

**PURPOSE:**

The purpose of this rider is to establish rates, terms, and conditions for providing co-energy metering service to customers generating electricity using solar and wind facilities greater than 10 kW and less than 1 MW in size. This rider complies with California State legislation allowing municipally-owned utilities to develop a standard contract or tariff providing for residential and small commercial (G1 and G2) co-energy metering, as defined below.

**APPLICABILITY:**

This schedule is applicable to service for customers where a part or all of the electrical requirements of the customer can be supplied from a solar or wind power production source owned and operated by the customer (customer-generator). Customer-generators must currently be served under Lodi's residential and small commercial (G1 and G2) rate schedules. Availability of this schedule to eligible customer-generators will be on a first-come, first-serve basis and will be available until such time as the total rated generating capacity used by eligible customer-generators equals two and one-half percent (2.5%) of the City of Lodi aggregate customer annual peak demand.

The solar or wind generation source must: 1) be rated greater than 10 kW and not more than 1 MW, 2) be located on the customer-generator's premises, 3) be connected for parallel operation with Lodi's distribution facilities, and 4) be intended for the sole purpose of offsetting a part or all of the customer-generator's own electrical requirements. In no case shall the power or energy generated by the customer-owned solar or wind source be available for resale, except as specified under this rider.

Additional terms and conditions for service, including terms of interconnection and parallel operation, are specified in a customer-specific Electrical Interconnection and Co-Energy Metering Payment Agreement.

**RATES:**

Charges for electricity supplied by the City will be based on the co-metered usage in accordance with Special Conditions (c), (d), and (e) below. Rates charged under this schedule will be in accordance with the eligible customer-generator's otherwise applicable residential or small commercial (G1 and G2) rate schedule. Public Benefit charges and monthly customer charges shall not be by-passable.

**Energy Supplied Charges:** The metered electricity supplied by the City to the customer-generator over the applicable billing period will be billed at the applicable service rate in effect when the service was rendered. All conditions, charges, adjustments, and taxes under the applicable rate schedule shall be in effect.

**Energy Transmitted Credit:** The metered electricity generated by the customer-generator and supplied to the City over the applicable billing period will be credited at a rate equal to the generation component of the applicable rate schedule. The generation component shall be one-half (1/2) of the net Energy Charge (adjusted for Market Cost Adjustment, Voltage Discount, and Community Benefits Incentive Discount, as applicable) of the customer-generator's applicable rate schedule.

### **SPECIAL CONDITIONS:**

- (a) **Other Agreements:** A signed Electrical Interconnection and Co-Energy Metering Payment Agreement between the customer-generator and the City is required for service under this schedule.
- (b) **Metering Equipment:** Co-Energy metering shall be accomplished using two meters – the customer revenue meter of record and a separate generation meter. The customer-generator shall be responsible for all expenses involved in purchasing and installing required meters. If an additional meter or meters are desired by the City to monitor the electric generating system performance, the cost to install these meters will be the responsibility of the City.
- (c) **Co-Energy Metering:** Co-Energy metering is defined as the dual measurement of (i) the electricity supplied by the City through the electric grid to the eligible customer-generator and (ii) the electricity generated by an eligible customer-generator from the customer-owned solar or wind source.
- (d) **Co-Energy Billing:** The customer-generator shall receive a “net bill” from the City for each billing period. The co-energy metering net billing calculation shall be composed of the Energy Supplied Charges less the Energy Transmitted Credit.

All net charges are due at the time of billing. Electric generation production may result in a dollar credit carrying forward to the next billing period, subject to Special Condition (e) below.
- (e) **Excess Energy:** Co-Energy metering will be administered on an annualized basis, beginning with the month of interconnection of the customer’s generating system with the City’s electrical system. Electric generation production may result in a dollar credit carrying forward to the next billing period. If a credit accumulation results in a net customer-owned generation credit at the end of the annualized year, unused dollar credits will be set to zero and not be carried into the new annualized year.
- (f) **Rules and Regulations:** Other conditions as specified in the City of Lodi Electric Utility Department’s Rules, Regulations, and Engineering Standards shall apply to this electric rate schedule.

**SECTION 3.** All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

**SECTION 4.** No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

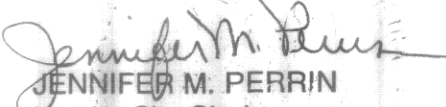
**SECTION 5.** Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

**SECTION 6.** This ordinance shall be published one time in the "Lodi News-Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi, and shall take effect thirty days from and after its passage and approval.

Approved this 4<sup>th</sup> day of October, 2006

  
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SUSAN HITCHCOCK  
Mayor

Attest:

  
JENNIFER M. PERRIN  
Interim City Clerk

State of California :  
County of San Joaquin, ss.

I, Jennifer M. Perrin, Interim City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1786 was introduced at a regular meeting of the City Council of the City of Lodi held September 20, 2006, and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held October 4, 2006, by the following vote:

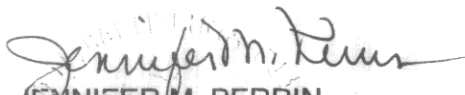
AYES: COUNCIL MEMBERS – Beckman, Hansen, Johnson, Mounce,  
and Mayor Hitchcock

NOES: COUNCIL MEMBERS – None

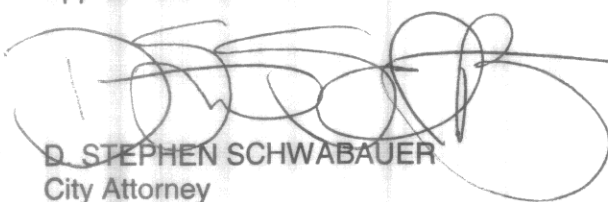
ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

I further certify that Ordinance No. 1786 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

  
JENNIFER M. PERRIN  
Interim City Clerk

Approved as to Form:

  
D. STEPHEN SCHWABAUER  
City Attorney